AMENDED IN ASSEMBLY APRIL 19, 2010 AMENDED IN ASSEMBLY MARCH 22, 2010

CALIFORNIA LEGISLATURE—2009–10 REGULAR SESSION

ASSEMBLY BILL

No. 1760

Introduced by Assembly Member Blumenfield

February 8, 2010

An act to add and repeal Article 6.5 (commencing with Section 217) of Chapter 1 of Division 1 of the Streets and Highways Code, relating to transportation.

LEGISLATIVE COUNSEL'S DIGEST

AB 1760, as amended, Blumenfield. Design-sequencing contracts. Until January 1, 2010, the Department of Transportation was authorized to conduct a pilot project to let design-sequencing contracts, as defined, for design and construction of not more than 12 transportation projects. These provisions are now repealed.

This bill would reenact similar provisions, authorizing the department to let design-sequencing contracts for the design and construction of transportation projects, to be effective until January 1, 2016. The bill would require the department to prepare a status report to the Legislature each year during which design-sequencing contracts are underway, as specified.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

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The people of the State of California do enact as follows:

SECTION 1. The Legislature finds and declares all of the following:

- (a) The design-sequencing pilot program was established by previous state legislation and administered by the Department of Transportation. The first and second-phase phases of the program authorized a total of 24 design-sequencing projects and had a sunset date of January 1, 2010. A report will be submitted to the Legislature that will describe and evaluate the outcome of the completed projects. Current design-sequencing indicators have provided generally good assessments of the program.
- (b) Federal stimulus funds for transportation often require projects to be awarded under time constraints.
- (c) It is the intent of the Legislature, therefore, to provide the Department of Transportation with a project delivery tool that has the potential to increase efficiency, reduce costs incurred by the state, and help California take advantage of federal funds.
- (d) It is the intent of the Legislature that the Department of Transportation be provided with interim authority to establish design-sequencing contracts. Because current evaluations of the pilot program show positive outcomes in time savings, the interim authority will allow design-sequencing to be used as a valuable tool on appropriately selected projects. This will help the state utilize federal funds as they become available pending conclusions of the pilot program's final report scheduled for completion in 2015.
- SEC. 2. Article 6.5 (commencing with Section 217) is added to Chapter 1 of Division 1 of the Streets and Highways Code, to read:

Article 6.5. Design-Sequencing Program

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- 217. The following definitions apply for the purposes of this article:
 - (a) "Design" is a plan completed to a level of 30 percent.
- (b) "Design-sequencing" is a method of contracting that enables the sequencing of design activities to permit each construction phase to commence when design for that phase is complete, instead

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of requiring design for the entire project to be completed before commencing construction.

- (c) A "design-sequencing contract" is a contract between the department and a contractor that requires the department to prepare a design and in which the department is the responsible agency for the performance of design and that permits construction of a project to commence upon completion of design for a construction phase.
- 217.1. (a) Notwithstanding—Chapter 1 (commencing with Section 10100) of Part 2 of Division 2 of the Public Contract Code, except Section 10128 of that code, and Chapter 10 (commencing with Section 4525) of Division 5 of Title 1 of the Government Code, the department Section 10120 of the Public Contract Code, the department, at the director's discretion, may let design-sequencing contracts for the design and construction of transportation projects, to be selected based on criteria established by the director. For the purpose of this article, these projects shall be deemed public works.
- (b) In selecting projects for the program authorized under subdivision (a), the director shall attempt to balance geographical areas among projects as well as pursue diversity in the types of projects undertaken. In this process, the director shall consider selecting projects that improve interregional and intercounty routes.
- (b) The department may use employees or consultants for contracts authorized in this article, consistent with Article XXII of the California Constitution. Department resources, including personnel requirements, necessary for the performance of those services shall be included in the department's capital outlay support program for workload purposes in the annual Budget Act.
- (c) To the extent available, the department shall seek to incorporate existing knowledge and experience on design-sequencing contracts in carrying out its responsibilities under subdivision (a).
- (d) Not later than July 1 of each year during which design-sequencing contracts are underway, the department shall prepare a status report on its contracting methods, procedures, costs, and delivery schedules. The status report shall be submitted to the Legislature pursuant to Section 9795 of the Government Code.

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1 217.2. Design-sequencing contracts under the program, as 2 described in Section 217.1, shall be awarded in accordance with 3 both of the following:

- 4 (a) The department shall advertise design-sequencing projects by special public notice to contractors.
- 6 (b) Contractors shall be required to provide prequalification information establishing appropriate licensure and successful past experience with the proposed work.
- 9 217.3. This article shall remain in effect only until January 1, 2016, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2016, deletes or extends that date.